

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF BRADLEY) APPEAL NO. 07-A-2365
S. CHESSON from the decision of the Board of) FINAL DECISION
Equalization of Bonner County for tax year 2007.) AND ORDER

VACANT LAND APPEAL

THIS MATTER was conducted "On the Record" - in writing. Board Members Lyle R. Cobbs , David E. Kinghorn and Linda S. Pike participated in this decision. Appellant Bradley S. Chesson submitted written information for consideration. Respondent Bonner County also submitted written information for consideration. This appeal is taken from a decision of the Bonner County Board of Equalization (BOE) modifying the protest of the valuation for taxing purposes of property described as Parcel No. RP55N02W081880A.

The issue on appeal is the market value of a vacant land.

The decision of the Bonner County Board of Equalization is modified.

FINDINGS OF FACT

The total assessed land value is \$327,407. Appellant requests the assessed land value be reduced to \$165,000.

The subject property is a vacant rural parcel located in the Cocolalla Lake area about 11 miles south of Sandpoint. It is 22.870 acres with mountainous terrain.

Appellant asserted that there was a 110% increase in the market value of the subject property from tax year 2006 to tax year 2007. Subject property's market value in 2006 was \$156,224, and in 2007 it increased to \$327,407. Taxpayer presented information on five properties that sold in 2006. Four of the properties were similar in size and located in close proximity to subject. The sale prices ranged from \$6,445 to \$9,400 per acre, with an average price per acre of \$7,923. The fifth sale, a 25 acre parcel, sold for \$19,000 per acre, but Appellant wrote it is located in a platted subdivision with power and phone services available to each lot.

Appellant stated subject does not have a good view of the lake because it is blocked by a neighbor's home and barn. Portions of subject are inaccessible and unbuildable due to the steepness of the slope.

The Assessor presented 19 sales, all in the 10-25 acre range, that sold in the last quarter of 2005 and during 2006, arriving at an average price per acre of \$15,726. The sales had characteristics similar to subject, including acreage, accessibility and convenience to commercial services. The County asserted subject was valued in a manner similar to surrounding property comparable in size and a similar distance from town. It was contended some of the sales provided were actually inferior in accessibility and view compared to subject. The County opined the view from subject was average to excellent.

The Assessor reported that while there have been no immediate sales in the area, the assessed values have been supported by sales and the assessment ratio to sale price median is .9286. The County asserted that a drastic adjustment in the market value of subject would bring the entire neighborhood out of uniformity in relation to market value.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all written information submitted by the parties in support of their respective positions, hereby enters the following.

Idaho is a market value state for property tax purposes.

Idaho Code § 63-201. Definitions --

(10) "Market value" means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

We note Respondent's evidence of unimproved sales indicated a median assessment ratio of 91% to 94%. For equalization purposes, Idaho Code requires assessed values be within 90% and 110% of market value. The median ratio appears to be in compliance with the statute. However, the Board must consider the market value of the individual property under appeal.

The best method for estimating the market value of land is through a comparison of like properties that have sold. Both parties submitted sales information. Appellant presented three 20-acre sales, one 25-acre sale and a 25 acre subdivided parcel. The County referenced 12 sales ranging in size from 9.120 to 20.370 acres. Subject parcel is 22.87 acres of unimproved land.

"In any single individual transaction there are many variables which are dependent upon the peculiar aspects of the transfer and which affect the price agreed upon by the parties. Market value, therefore, is generally established by numerous sales of the same or comparable property and, although the price paid for property may be admissible to prove its market value, that fact alone is not conclusive." Gillingham v. Stadler, 93 Idaho 874, 878, 477 P.2d 497, 504 (1970).

The Board finds consideration should be given to the all of the sales submitted, however more weight should be given to those sales closest in size to subject.

In this case, the Board primarily considered the eight sales submitted by the parties which ranged in size from 19.007 to 25 acres as the most indicative of subject. Appellant claimed the 25 acre subdivided parcel was superior to subject, and based on the information in the record the Board concurs. In addition, the sale of parcel no. RP 55N02W302630 was submitted by both parties, and will be considered only once. The Board finds the average price per acre of these sales was \$10,187. On the record before us, this rate per acre is found to be the best evidence

of subject's market value.

Therefore, the Board finds the sales support a value of \$232,976 for subject.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Bonner County Board of Equalization concerning the subject parcel be, and the same hereby is, modified to reflect a decrease in the assessed value to \$232, 976.

IT IS FURTHER ORDERED that any taxes which have been paid in excess of those determined to have been due be refunded or applied against other *ad valorem* taxes due from Appellant.

MAILED FEBRUARY 27, 2008